

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

NORTHWEST TRUSTEE SERVICES,
INC.,

Defendants,

and

WELLS FARGO BANK, N.A.; BANK OF
AMERICA, N.A.; FEDERAL NATIONAL
MORTGAGE ASSOCIATION; U.S.
BANK, N.A.; DEUTSCHE BANK
NATIONAL TRUST CO.; CITIBANK,
N.A.; FEDERAL HOME LOAN
MORTGAGE CORPORATION; HSBC
BANK USA, N.A.; HSBC MORTGAGE
SERVICES, INC.; THE BANK OF NEW
YORK MELLON CORPORATION,

Garnishees.

CASE NO. 2:17-mc-00157 JLR

(2:17-cv-01686-JLR)

DECLARATION OF MELISSA
HUELSMAN IN SUPPORT OF
UNITED STATES' *EX PARTE*
APPLICATION FOR
PREJUDGMENT WRIT OF
GARNISHMENT

I, Melissa Huelsman, having personal knowledge of the facts contained in this
declaration and being competent to testify to them, hereby state as follows:

1 1. I am an attorney licensed to practice law in Washington State, focusing on the
2 area of consumer law.

3 2. My practice has included litigating numerous cases against Northwest Trustee
4 Services, Inc. ("NWTs") alleging wrongful foreclosure over the course of many years, and I
5 continue to have active cases against NWTs.

6 3. In my cases against NWTs, NWTs has exclusively been represented by its
7 affiliated law firm, Routh Crabtree & Olsen Legal, P.S. ("RCO Legal") and/or its
8 predecessor entities.

9 4. In recent years, I have witnessed NWTs's business declining, which has
10 appeared to be a result of losing key personnel. Most importantly, in 2015, Lance Olsen left
11 RCO Legal to work for a different law firm and he took key personnel from NWTs with him
12 to the new firm. Prior to that time, according to information provided to me by employees
13 and former employees of NWTs and RCO Legal through the years, Mr. Olson had been a
14 key driver of business to NWTs and RCO Legal.

15 5. I learned recently that NWTs and RCO Legal were planning to go out of
16 business. As a result, litigation being handled by RCO Legal in representing third party
17 clients has been handed off to another law firm. In those cases in which RCO Legal
18 represented NWTs in litigation, the Notices of Withdrawal that my firm has received to date
19 indicate that NWTs' representation will be handled by "General Counsel, 13555 SE 36th St.
20 Suite 300, Bellevue, WA 98006."

21 6. On December 1, 2017, in response to an e-mail to Joshua Schaer at RCO Legal
22 regarding one of my cases, my law firm received an auto-reply message stating that "All
23 offices of RCO Legal, P.S. have now closed," and providing contact information beginning
24 on December 1, 2017. I have been advised by Mr. Schaer, subsequent to that email, that
25 Janaya Carter is still working in the offices of RCO Legal, but I have not personally
26 communicated with her. I am also unaware of the identity of the "General Counsel" of RCO
27 Legal, as I have never dealt with any lawyer using that title to date.
28

1 7. Based on my experience with NWTs, RCO Legal, and other similar
2 foreclosing trustee operations, it is my expectation that, once the business is shut down, the
3 owners of NWTs will liquidate the company's assets and/or seek bankruptcy protections.
4 Two other significant foreclosing trustee companies who operated in Washington and in
5 other states, Regional Trustee Services, Inc. ("Regional Trustee") and Cal-Western
6 Reconveyance ("Cal-Western"), engaged in similar activities. Cal-Western was owned and
7 operated in conjunction with another affiliated law firm, Pite Duncan, LLP by a larger
8 corporate entity known as Prommis Holdings, Inc. In March 2013, Prommis filed a Chapter
9 11 bankruptcy and in May 2013, it was in the process of completing the sale of the Cal-
10 Western assets to Butler & Hosch, a law firm from Florida who provided foreclosure
11 services. On June 26, 2013 Cal-Western was added to the Prommis bankruptcy filing,
12 apparently in order to complete its sale to Butler & Hosch. All cases filed against Cal-
13 Western were stayed by the bankruptcy filing, including one in which I was involved on
14 behalf of clients that was at the Washington Court of Appeals and which eventually had to be
15 dismissed because of the sale of assets through the bankruptcy.

16 8. Similarly, Regional Trustee announced suddenly in June 2014 that it had sold
17 all of its assets to Butler & Hosch and that a receivership had been opened in the King
18 County Superior Court in order to administer its debts. All of my clients with pending claims
19 against Regional Trustee had them essentially eliminated through the receivership.

20 9. By May 2015, Butler & Hosch collapsed and suddenly closed its doors, leading
21 to a bankruptcy filing and eventual surrender of the founding partner's law license in Florida,
22 as well as litigation against it by various creditors and former employees. The non-judicial
23 foreclosure business that had been conducted by Cal-Western (and which, according to press
24 reports, constituted the "assets" that Butler & Hosch acquired) is now being handled by the
25 new iteration of the affiliated law firm, Aldridge Pite, which came into existence on June 24,
26 2015 and Pite Duncan, LLP ceased to exist on August 26, 2015.

27 10. The non-judicial foreclosure work ("assets") that Regional Trustee used to
28 perform in Washington state, including what appears to be the only foreclosing trustee in

1 Washington who conducts non-judicial foreclosures on behalf of Ocwen Servicing, LLC is
2 now being performed by a new foreclosing trustee company that is owned and controlled by
3 the principals of the law firm that used to exclusively represent Regional Trustee, Robinson
4 Tait. The name of that entity is North Cascade Trustee Services, Inc.

5 I declare under penalty of perjury that the foregoing is true and correct.

6 Executed this 6th day of December, 2017.

7
8 s/ Melissa Huelsman
9 Melissa Huelsman, Esq.
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